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File No.

SHANGHAI MUNICIPAL POLICE.

S.1, Special Branch

REPORT

Date Sept. 15, 1937.

Subject: Resumption of gas supply by Shanghai Gas Company, Ltd. - comments in local Chinese press.

Made by D.S. Larby Forwarded by C. Crawford i/c S

With reference to the comments recently published in the local Chinese press, regarding the policy of the Shanghai Gas Company, Ltd. in resuming gas supplies: on the afternoon of September 14, 1937, the undersigned interviewed Mr. W.J. Brown, Secretary of the Company, and learned that a letter, purporting to point out the dangers of supplying coal gas while the scene of the present hostilities is in close proximity to the International Settlement, had been received from the Shanghai First Special District Citizens' Federation. In acknowledgement of this letter, the Company merely stated that the danger to which the Federation drew attention had been duly noted.

The undersigned was also informed that Mr. T.K. Ho, Deputy Secretary of the Shanghai Municipal Council, and Mr. Yu Ya Ching had both communicated with the Company in connection with the aforementioned subject and had been informed that the chief engineer had, after careful consideration, decided that it was safe to resume operations.

The possibility of there being some underlying significance in the request of the Shanghai First Special District Citizens' Federation to postpone the resumption of a gas supply was then discussed with Mr. Brown.

According to the Company's figures there are approximately 9,000 gas consumers located south of the Soochow Creek who have been affected by the cessation of gas supplies. It was then calculated that at least $45,000 would have to be spent every month to purchase wood, charcoal or kerosene in order to secure mediocre cooking facilities for these former gas consumers. It is therefore obvious

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that there is one business which stands to reap considerable financial benefit from any stoppage in the regular supply of gas.

It was further learned that Mr. A.K. Sun, a member of the staff of the Bureau of Public Utilities, acting on the instructions of Mr. O.K. Yui, Mayor of Greater Shanghai, had recently visited the company's offices in order to acquaint the directors of possible dangers to the gasworks located at 2524 Yangtszepoo Road in the event of Chinese aircraft attempting to bomb the Japanese airfield situated near Point Island.

Regarding the possible dangers resultant from the striking by stray bullets, shells, bombs, etc. of any gas containing apparatus it was pointed out that when, during the Great War, West Hartlepool, a town situated on the east coast of England, was bombarded by German warships, a number of shells struck the gasometers of the local gasworks but failed to cause any great damage.

It appears that an explosion or conflagration might result if a bomb was to strike the main supply pipe but in view of the fact that the pipe in question is at least twelve feet beneath the ground, there is little likelihood of such a situation arising.

In conclusion, the undersigned was informed that in the event of a recurrence of aerial bombing similar to that which marked the early stages of the present hostilities, the company would not hesitate to cut off all gas supplies.

D. S. R. Harby

D.C. (Crime & Special Branches)

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to prove that the attack was actually carried out by Japanese planes was so far at hand.

The various newspapermen regarded this statement merely as a funny story. A spokesman of the Japanese Embassy then came on the scene and stated that further instructions in the matter would be asked for from the Tokyo Government. However, none of the foreign newspapermen succeeded in restraining himself from bursting into laughter at such a statement, which was circulated by cable to various nations yesterday evening. It is believed that international opinion will be severely critical.

China Times and other local newspapers:

RESUMPTION OF GAS SERVICE NOT FAVOURED

Much concern is being shown by Chinese and foreign residents towards the resumption of gas service by the Shanghai Gas Company.

In view of the spontaneous explosion of a gas pipe on September 8, which resulted in the injuring of some pedestrians, and the possibility of more serious accidents occurring at a time when stray bullets and shells are flying about, a reporter of this paper called on a responsible person of the Various Circles' Enemy-Resisting Support Association for his opinion.

The following is the statement made by the person called upon:- "Coal gas is an acute poison and burns readily, so that when an underground gas pipe is damaged by a bomb, stray bullet etc., the people living nearby are liable to be poisoned and their houses burnt. The gas also has a high explosive power, and if the gas tank should be hit by a shell, the calamity resulting from the explosion would be much greater than that which the shell itself can cause. For the sake of the safety of the millions of residents, it is to be hoped that the company will not resume its business at the present moment. The people should temporarily cease using gas in consideration of their own safety."

Min Pao and other local newspapers:

INCIPIENT LABOUR DISPUTE AT BUS CO. CONCILED BY TANGPU

Dissatisfied with the action of the management in discharging operatives and enforcing labour reduction, King Chih-ts (王志之) and other representatives of the employees of the China General Omnibus Company recently submitted a petition to the local Tangpu and other government organs requesting them to mediate.

Upon receipt of the petition, the Bureau of Social Affairs of the Shanghai City Government and the local Tangpu detailed officials to mediate. The officials advised the workers to refrain from resorting to rash acts at this time when a major war of resistance is being carried on; furthermore, they stated that they had ascertained that the management had no intention of discharging workers.

The workers then expressed their understanding, and the labour dispute has been happily settled.

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September 6, 1937. Morning Translation.

Min Pao and other local newspapers :-

CITIZENS' FEDERATION IMPRESSES GAS COMPANY WITH DANGERS OF RE-OPENING

Yesterday the Shanghai First Special District Citizens' Federation sent the following letter to the Shanghai Gas Company, a British concern:-

"We are in receipt of a letter from the Shanghai Restaurant Owners' Association which states:-

'It is learnt from the local press that the Shanghai Gas Company, a British concern, will resume business and continue to supply its local subscribers with gas commencing from Monday. It must now be remembered that the Shanghai Gas Company is situated at the south end of Thibet Road Bridge, a place that is well adjacent to Chinese territory, and in case of any disaster, which is not at all unlikely in view of the wide range of stray shells, etc., the consequences to the local population will be most deplorable. Your Federation is, therefore, requested to open negotiations with the company in question for the postponement of its resumption of business, in the interest of the local residents.'

"In view of the foregoing, we, therefore, earnestly request your company to postpone the resumption of business."

Min Pao and other local newspapers :-

RICSHA OWNERS' ASSOCIATION MEETS TO DISCUSS LICENCE QUESTION

In view of the hostilities, coupled with the fact that many vehicles have been destroyed and the number of ricsha coolies reduced as well as due to the fact that the authorities are placing a restriction on the issue of licences, the Special District Office of the Shanghai Ricsha Owners' Association held an urgent meeting at 10 a.m. yesterday to discuss ways and means to deal with the licence question. It is learnt that a further meeting will be called as soon as a reply has been received from the S.M.C.

China Times and other local newspapers :-

ACTION REQUESTED TO FORCE FRENCH COMPANY TO ACCEPT WATER AND ELECTRICITY PAYMENTS BY CHEQUE

Mr. Tu Yueh-sung (杜月笙), Chairman of the Chinese Ratepayers' Association of the French Concession, yesterday sent a letter to the French Municipal Council requesting it to instruct the Compagnie Francaise de Tramways et d'Eclairage Electriques de Shanghai to accept cheques from residents in payment for water and electricity charges.